

# NEW FOR 2004

## BONUS DEPRECIATION

Idaho did not adopt the bonus depreciation provisions found in Internal Revenue Code (IRC) Section 168 (the 30% or 50% additional first-year depreciation). If you are depreciating property for which you claimed the bonus depreciation in the current year or a previous year for federal purposes:

- Complete a separate federal Form 4562 for Idaho depreciation purposes as if the special depreciation allowance had not been claimed.
- Compute the Idaho adjusted basis and any gains or losses from the sale or exchange of the property using the Idaho depreciation amounts.
- Enter the differences between the Idaho and federal depreciation amounts and gains and losses from sales or exchanges of the property on the new bonus depreciation addition and subtraction lines.

## SECTION 179 EXPENSE AMENDMENTS ADOPTED

Idaho has adopted the federal amendments to IRC Section 179 retroactively. These amendments were effective for tax years beginning after December 31, 2002. If your 2003 Idaho return did not conform to the federal amounts claimed, you must amend it to conform to the amount elected for federal income tax purposes.

## CREDIT FOR QUALIFYING NEW EMPLOYEES EXPANDED

The credit for qualifying new employees has been expanded to include a new \$1,000 per employee credit. It applies to certain new employees who have average annual earnings of \$15.50 or more per hour and are eligible to receive employer-provided accident or health plan coverage. Unlike the existing \$500 credit, the \$1,000 credit is not limited to individuals employed in a revenue-producing enterprise.

## CREDIT FOR CONTRIBUTIONS TO YOUTH AND REHABILITATION FACILITIES EXPANDED

Donations made on or after January 1, 2004 to the Women's and Children's Alliance and donations made on or after July 1, 2004 to the Children's Village, Inc., of Coeur d'Alene will qualify for the credit for contributions to youth and rehabilitation facilities.

## SALES/USE TAX LINE ADDED

If you made occasional purchases during the year without paying sales tax, you may now report the use tax due on these purchases on your partnership return. Examples include magazine subscriptions, out-of-state catalog purchases, merchandise purchased over the Internet, book and record clubs and any purchases in a state where no sales tax is charged. However, if you have a sales tax account, you should continue to report the tax on these purchases on your sales and use tax returns.

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## GENERAL INFORMATION

### WHO MUST FILE FORM 65

- A partnership transacting business in Idaho; or
- A limited liability company treated as a partnership for federal income tax purposes and transacting business in Idaho.

### TRANSACTIONING BUSINESS

Transacting business in Idaho is indicated by, but not limited to, the following activities:

- owning or leasing, as lessor or lessee, any property in Idaho;
- soliciting business in Idaho;
- being a member of a partnership or S corporation with business in Idaho;
- any Idaho activity from which income is received, realized, or derived; or
- having an agent, such as a collector, repair person, delivery person, etc., acting on your behalf in Idaho.

### WHAT TO FILE

A complete copy of the federal income tax return must be attached to the Idaho income tax return. All Schedules K-1 must be attached to the return or submitted with the return on diskette or compact disk. Failure to attach a complete copy of the federal return may cause the return to be delinquent.

### WHEN TO FILE

Your return is due on or before the 15th day of the fourth month following the close of your tax year. For a calendar year filer, this is April 15. If the last day for filing a return falls on a Saturday, Sunday or legal holiday, the return is timely if it is filed on the next work day.

### WHERE TO FILE

Mail the return and payment to:

IDAHO STATE TAX COMMISSION  
PO BOX 56  
BOISE ID 83756-0056

### ACCOUNTING METHODS

You must use the same accounting method that is used for federal tax purposes. A change of accounting method must have prior approval from the Internal Revenue Service. Attach a copy of the federal approval to your return.

### ACCOUNTING PERIOD

You must use the same accounting period that is used for federal tax purposes. A change to the annual accounting period must have prior approval from the Internal Revenue Service. Attach a copy of the federal approval to your return.

### AMENDED RETURNS

If you discover an error on your return after it is filed, use Form 65 to amend your return. Check the box at the top of the form and enter the reason for amending. Complete the entire form using the corrected amounts.

If you amend your federal return, an amended Idaho income tax return must be filed. The statute of limitations for receiving a refund is three years from the due date of the return or the date the return was filed, whichever is later.

If you are amending a return for tax years beginning prior to 2001, complete a new return using the corrected numbers on the form for the applicable year. Write AMENDED at the top of the form and attach an explanation of why the return is being amended.

### CHECK-THE-BOX REGULATIONS

Idaho follows the federal entity classification (check-the-box) regulations. Therefore, if an entity is classified or taxed as a partnership for federal income tax purposes, it will be treated as a partnership for Idaho income tax purposes.

### ELECTRONIC FUNDS TRANSFERS

Tax payments of \$100,000 or more must be paid by electronic funds transfer. If you are making an electronic funds transfer for the first time, contact the Tax Commission at (208) 334-7660 for further information.

# GENERAL INFORMATION

## EXTENSION OF TIME TO FILE

If you cannot file your return by the due date, Idaho allows you an automatic six-month extension of time to file. To avoid paying a penalty, the amount of tax payments you have made must be at least 80% of the tax due for the current year or 100% of the total tax reported last year. Use Form 41ES to make your payments.

Even though an extension gives you more time to file, the tax is due on the original due date of the return. You must pay interest on any tax paid after the due date.

Failure to pay the required amount by the original due date will result in a 2% per month penalty from the original due date to the earlier of the date the tax is paid or the extended due date. A 5% per month penalty will also be computed on the tax due from the extended due date to the date of payment if the return is not filed. The maximum penalty is 25%.

## FEDERAL AUDIT

If your federal taxable income or tax credits change because of a federal audit, you must send written notice to the Tax Commission within 60 days of the final federal determination. You must include copies of all schedules supplied by the Internal Revenue Service.

If you owe additional Idaho tax and do not send written notice within 60 days, a 5% negligence penalty will be imposed. Interest applies on any tax due.

If the final federal determination results in an Idaho refund, you must file an amended Idaho income tax return with the written notice. See Amended Returns on page 1. If the statute of limitations is closed, you have one year from the date of the final determination to file for the refund.

## INTEREST

Interest applies on delinquent tax from the due date of the return until the tax is paid at the rate of 6% per year (rate effective 1-1-2005 to 12-31-2005).

## PAYMENTS

Make your check or money order payable to the Idaho State Tax Commission and attach it to the tax return. Payments of less than \$100,000 may be made using Visa, Discover, or MasterCard credit and debit cards. To pay by credit card, complete and attach Form CCV, Credit Card Payment Voucher; visit our Web site at [tax.idaho.gov](http://tax.idaho.gov) and click on the "Electronic Payments" button; or call (208) 334-7660 in the Boise area or (800) 972-7660. For payments of \$100,000 or more, see ELECTRONIC FUNDS TRANSFERS on page 1.

## PENALTIES

A penalty will be imposed against a partnership that is required to file, but fails to file, an Idaho return. The penalty is \$10 times the number of persons who are partners during any part of the tax year for each month the return is not filed, up to five months.

Penalties may be imposed on the tax due as follows:

- 0.5% per month or fraction of a month to a maximum of 25% for failure to pay the tax due (if return is filed)
- 2% per month or fraction of a month for failure to meet the extension criteria (the return and taxes must be paid by the extended due date)
- 5% per month or fraction of a month to a maximum of 25% for failure to file the return timely
- 5% for negligence or disregard of rules
- 10% for substantial understatement of tax
- 50% for filing a false or fraudulent return

The minimum penalty is \$10.

## PERMANENT BUILDING FUND TAX

A partnership is required to pay the permanent building fund tax for each individual partner who meets the Idaho filing requirement but does not report his partnership income on an Idaho individual return. If all partners file Idaho individual income tax returns, the partnership is not required to pay the permanent building fund tax.

## ROUNDING

Round the amounts on the return to the nearest whole dollar.

## SIGNATURE

The return must be signed by an authorized individual on behalf of the partnership.

## TAX DUE FOR NONFILING PARTNERS

An individual partner may elect to have the partnership pay the tax on his income from that partnership. This income includes the individual's share of income (including guaranteed payments for services), loss, and deduction. The partnership will be taxed on this income at the corporate rate of 7.6%. An individual cannot make the election if he must report other income that is not subject to this election and meets the Idaho filing requirement.

An individual partner makes the election by not filing an Idaho Individual Income Tax Return. The partnership includes his share of the partnership income and his compensation from the partnership in computing Idaho taxable income.

You do not need permission from the Tax Commission to make the election nor do you need to file any statement or form.

If an individual who meets the Idaho filing requirement does not make the election, and does not file his Idaho individual income tax return or does not pay the tax due, the partnership will be taxed on the income at the corporate rate.

## TAX PERIOD/YEAR COVERED BY RETURN

Use the 2004 form to file your tax return for calendar year 2004 or the fiscal year beginning in 2004.

## TAX PREPARER CONTACT BOX

This box applies only if you paid a tax preparer to complete your return. If you check the box, you are authorizing the Tax Commission to discuss your return with the paid preparer identified on your return.

This authorization is valid for up to 180 days from the date the Tax Commission receives the return. If you want the Tax Commission to contact you rather than your preparer, leave the box blank.

## GENERAL INFORMATION FOR MULTISTATE/MULTINATIONAL TAXPAYERS

The following instructions apply to partnerships that operate in Idaho and another state or country (multistate/multinational taxpayers). These instructions also apply to partnerships that are members of a partnership operating in Idaho and another state or country.

## ALLOCATION AND APPORTIONMENT OF INCOME

**Business Income.** Business income includes income from transactions or activity in the regular course of your trade or business. Business income also includes income from tangible or intangible property if the acquisition, management, or disposition of the property is an integral part of your regular trade or business operations. Business income may result even though the income was derived from an occasional or extraordinary transaction. All business income must be apportioned using the apportionment formula.

## GENERAL INFORMATION

**Nonbusiness Income.** Nonbusiness income is all income other than business income and must be allocated, not apportioned. Allocation is the assignment of nonbusiness income to a specific state.

**Apportionment Formula.** The apportionment formula consists of three factors: property, payroll, and sales. These three percentages are averaged to arrive at the Idaho apportionment factor. For most taxpayers, the sales factor is double weighted.

Electrical and telephone utilities must use a single-weighted sales factor. See the instructions for Form 42.

### EXCEPTIONS TO APPORTIONMENT FORMULA

If the allocation and apportionment provisions do not fairly represent your business activity in Idaho, one of the following exceptions may be used:

**Separate Accounting.** Separate accounting means allocating income and related expenses to the state where the activity occurred. Separate accounting may be used only with prior approval from the Tax Commission. You must submit a written request at least 30 days prior to the due date for filing the return, not including extensions. Mail your request to:

INCOME TAX POLICY  
IDAHO STATE TAX COMMISSION  
PO BOX 36  
BOISE ID 83722-0410

**Exclusion Of A Factor.** If any of the factors (property, payroll, or

sales) do not apply to your business, use the remaining factors to compute the Idaho apportionment factor. To determine the average percentage, divide only by the number of factors used.

For example, if your partnership has no employees anywhere, the number of factors is reduced by one.

### MODIFIED FACTORS FOR CERTAIN INDUSTRIES

The following businesses must use special rules in computing the apportionment factors:

- Airlines
- Trucking Companies
- Railroads
- Construction Contractors
- Television and Radio Broadcasters
- Publishers
- Financial Institutions

See the instructions for Form 42.

### MULTISTATE CORPORATE MEMBERS OF PARTNERSHIPS

If a corporation required to file an Idaho income tax return is a member of an operating partnership or joint venture, the corporation must apportion its share of the partnership's business income or loss along with all other net business income or loss of the corporation. The corporation's share of the partnership's property, payroll and sales is determined in the same proportion as the partnership's income is distributed and must be included in the corporation's apportionment computation.

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## FORM 65 SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.  
General information instructions beginning on page 1 also apply to this form.

The partnership must provide each partner with a schedule that shows the apportioned share of each pass-through item of income and deduction, the apportioned share of each Idaho addition and subtraction, Idaho tax credits and tax credit recapture, and income allocated to Idaho. If the partner is not an individual, the partnership must provide the partnership's property, payroll and sales factor numerators and denominators. If the partner is an individual, trust or estate, the partnership must provide the distributive share of partnership gross income multiplied by the Idaho apportionment factor. A copy of this schedule and the federal Schedule K-1, Form 1065 must be attached to the Idaho Form 65.

### HEADING

File the 2004 return for calendar year 2004 or a fiscal year that begins in 2004. For a fiscal year, fill in the tax year space at the top of the form.

Write your partnership's business name, address, and federal employer identification number in the space provided.

### AMENDED RETURN

This form can be used as an original return or as an amended return. If you are filing this form as an amended return, check the box at the top of the form. Enter the applicable reason(s) for amending, as listed below. Complete the entire form using the corrected amounts.

1. Federal Audit
2. Capital Loss
3. Other - Attach an explanation.

### QUESTIONS 1-9

Mark the appropriate boxes and provide the requested information. Answer each question or the return will be considered incomplete. Incomplete returns will cause processing delays.

#### Question 1 NAME CHANGE

If the partnership changed its name since it last filed, check the "Yes" box and enter the name the way it appeared on the last return filed.

#### Question 2 FEDERAL AUDIT

If a federal audit was finalized during the tax year, enter the most recent tax year covered in the audit.

#### Question 3 FINAL RETURN

If this is the partnership's final return for Idaho, check the box that explains the reason. Enter the date the partnership dissolved or withdrew from Idaho.

#### Question 4 ELECTRICAL OR TELEPHONE UTILITY

If this return is for an electrical or telephone utility, check the "Yes" box. Electrical and telephone utilities apportion business income using a different apportionment factor calculation.

#### Question 5 OWNERSHIP CHANGE

Check the "Yes" box if a partner terminated his interest in the partnership or if a new partner acquired an interest in the partnership.

#### Question 6 CREDIT FOR QUALIFYING NEW EMPLOYEES

Enter the amount shown on line 15, Part II, Form 55. This is the credit for qualifying new employees the partnership earned for the tax year.

# FORM 65

## Question 7a INVESTMENT TAX CREDIT

Enter the amount shown on line 2, Part I, Form 49. This is the Idaho investment tax credit the partnership earned for the tax year.

## Question 7b BROADBAND EQUIPMENT INVESTMENT CREDIT

Enter the amount shown on line 2, Form 68. This is the broadband equipment investment credit the partnership earned for the tax year.

## Question 7c CREDIT FOR IDAHO RESEARCH ACTIVITIES

Enter the amount shown on line 16, Form 67. This is the credit for Idaho research activities the partnership earned for the tax year.

## Question 8a TAX FROM RECAPTURE OF INVESTMENT TAX CREDIT

Enter the amount shown on line 9, Part III, Form 49R.

## Question 8b TAX FROM RECAPTURE OF BROADBAND EQUIPMENT INVESTMENT CREDIT

Enter the amount shown on line 9, Part III, Form 68R.

## Question 8c TAX FROM RECAPTURE OF INCENTIVE INVESTMENT TAX CREDIT

Enter the amount shown on line 9, Part III, Form 69R.

## Question 9 PROPERTY TAX EXEMPTION

Check the "Yes" box if you elected the property tax exemption on personal property that qualifies for the investment tax credit. Attach a copy of your Form 49E.

## INCOME

### LINE 13 PORTFOLIO INCOME

Enter your net portfolio income or loss from Form 1065, Schedule K, lines 5, 6a, 6b, 7, 8, 9a, and 9b.

### LINE 14 OTHER INCOME

Enter your other income from Form 1065, Schedule K, lines 9c, 10, and line 11. Include any other income or loss required to be reported separately to partners from the federal Form 1065, Schedule K, line 20c.

### LINE 15 DEDUCTIONS

Enter your deductions from Form 1065, Schedule K, lines 12, 13a, 13b, and 13e, plus the lesser of line 13c or 20a less 20b.

## ADDITIONS

### LINE 17 INTEREST AND DIVIDENDS NOT TAXABLE UNDER INTERNAL REVENUE CODE

Enter the interest and dividends net of applicable amortization received or accrued from obligations of any state or political subdivision excluded from federal income under the provisions of the Internal Revenue Code. Attach a schedule.

### LINE 18 STATE, MUNICIPAL AND LOCAL TAXES

Enter the total of all state, municipal and local taxes measured by net income that have been paid or accrued during the tax year less any refunds that have been included in federal income. Attach a schedule of all taxes deducted on the federal return.

### LINE 19 BONUS DEPRECIATION

If you claimed federal bonus depreciation, you must complete a separate federal Form 4562 to compute your Idaho depreciation without claiming any amounts for the special depreciation allowance. If the federal depreciation is more than the Idaho depreciation, include the difference as an addition on this line. Attach the federal Form 4562 used to compute the Idaho depreciation.

## LINE 20 OTHER ADDITIONS

Enter any miscellaneous Idaho additions. If you have separately stated items that must be added back, include the amount. Attach a schedule identifying each addition.

## SUBTRACTIONS

### LINE 22 INTEREST FROM IDAHO MUNICIPAL SECURITIES

Enter interest received from securities issued by the state of Idaho and its political subdivisions, if included on line 17.

### LINE 23 INTEREST ON U.S. GOVERNMENT OBLIGATIONS

Interest income you received from obligations of the U.S. Government is not subject to the Idaho tax. Deduct any U.S. Government interest included in portfolio income, line 13. Examples of obligations of the U.S. Government include but are not limited to:

- Banks for Cooperatives
- Federal Farm Credit Banks
- Federal Financing Bank
- Federal Homeowners Loan Bank
- Federal Intermediate Credit Bank
- Federal Land Bank
- Guam
- Puerto Rico
- Student Loan Marketing Association
- Tennessee Valley Authority Bonds
- Territory of Alaska
- Territory of Hawaii
- Territory of Samoa
- U.S. Series EE and HH Bonds
- U.S. Treasury Bills and Notes
- Virgin Islands

Interest income received from the Federal National Mortgage Association (FNMA) and the Government National Mortgage Association (GNMA) is not paid by the U.S. Government and is subject to Idaho income tax.

### LINE 24 INTEREST EXPENSE OFFSET

Enter the amount from line 5 of the following computation. This is the interest expense offset.

- |   |         |
|---|---------|
| 1a. Interest expense. Total interest expense deducted in determining federal income.  | _____   |
| b. Interest expense disallowed under IRC Sections 265 and 291   | _____   |
| c. Interest expense from a pass-through entity  | _____   |
| d. Intercompany interest expense  | _____   |
| e. Total interest expense.  | _____   |
| Add lines a through c and subtract line d.  |         |
| 2. Total tax-exempt income (interest on qualifying obligations of the United States and interest on qualifying obligations of the state of Idaho, its cities, and political subdivisions) | _____   |
| 3. Total income. Refer to Rule 115, Idaho Income Tax Administrative Rules.  | _____   |
| 4. Divide line 2 by line 3.   | _____ % |
| 5. Multiply line 1e by line 4.  | _____   |

### LINE 26 TECHNOLOGICAL EQUIPMENT DONATION

Enter the fair market value of technological equipment donated to a public elementary or secondary school, public or private college or university, public library, or library district located in Idaho. Items that qualify for this deduction are limited to computers, computer software, and scientific equipment or apparatus manufactured within five years of the date of donation. The amount deducted may not reduce Idaho taxable income to less than zero. Any unused deduction cannot be carried to another year.

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## LINE 27 ALLOCATED INCOME

Enter the amount of nonbusiness income. A schedule detailing the source of income and explaining why the income was classified as nonbusiness must be attached.

## LINE 28 NONBUSINESS EXPENSE OFFSET

Expenses included in computing federal income that are related to the production of allocated nonbusiness income listed on line 27 must be added back. Related expenses include, but are not limited to interest on indebtedness incurred or continued to purchase or carry the assets that produce the nonbusiness interest and dividend income. Interest expense related to business and nonbusiness income must be prorated. Complete the following computations to calculate the total amount of nonbusiness expense offset.

1. Expenses directly related to nonbusiness income \_\_\_\_\_
- 2a. Interest expense. Total interest expense  
deducted in determining federal income \_\_\_\_\_
- b. Interest expense disallowed under IRC  
Sections 265 and 291 \_\_\_\_\_
- c. Interest expense from a pass-through entity \_\_\_\_\_
- d. Subtotal. Add lines a through c. \_\_\_\_\_
- e. Interest expense included in line 1. \_\_\_\_\_
- f. Interest expense attributable to tax-exempt  
income on line 24. \_\_\_\_\_
- g. Intercompany interest expense \_\_\_\_\_
- h. Total interest expense. Subtract lines e, f and  
g from line d. \_\_\_\_\_
3. Total nonbusiness income \_\_\_\_\_
4. Total income. Refer to Rule 115, Idaho Income  
Tax Administrative Rules. \_\_\_\_\_
5. Divide line 3 by line 4. \_\_\_\_\_ %
6. Multiply line 2h by line 5. This is the interest  
expense prorated to nonbusiness income. \_\_\_\_\_
7. Other expenses related to both business and  
nonbusiness income. \_\_\_\_\_
8. Multiply line 7 by line 5. \_\_\_\_\_
9. Add lines 1, 6, and 8. Enter amount on line 28. \_\_\_\_\_

## LINE 30 BONUS DEPRECIATION

If you claimed federal bonus depreciation, you must complete a separate federal Form 4562 to compute your Idaho depreciation without claiming any amounts for the special depreciation allowance. If the federal depreciation is less than the Idaho depreciation, include the difference as a subtraction on this line. Attach the federal Form 4562 used to compute the Idaho depreciation.

If you sold or exchanged property on which you claimed the bonus depreciation, compute the difference in the Idaho gain or loss and the federal amount and subtract the difference. Attach all applicable forms.

## LINE 31 OTHER SUBTRACTIONS

Enter any miscellaneous Idaho deductions. If you have any separately stated items that must be subtracted, include the amount. Attach a schedule identifying each deduction.

## LINE 35 APPORTIONMENT FACTOR

If all the activity is in Idaho, enter 100%. If the partnership has multistate/multinational operations, enter the apportionment factor from Form 42, Part I, line 21. Attach Form 42.

## LINE 37 INCOME ALLOCATED TO IDAHO

Enter the amount of nonbusiness income allocated to Idaho less the nonbusiness expense offset computed on line 28 that applies to this income. A schedule detailing the source of income allocated to Idaho must be attached.

## LINE 38 IDAHO COMPENSATION OF PARTNERS

Add the guaranteed payments and other compensation reportable to Idaho of individual partners who elect to have the

partnership pay the tax on this income. The election cannot be made if the partner has other Idaho income to report. Do not include the amounts paid to a partner who does not meet the Idaho individual income tax filing requirements.

## LINE 39 INCOME REPORTED ON PARTNERS' IDAHO RETURNS

Determine the amounts from lines 36 and 37 that are reported by the partners on their Idaho income tax returns. Do not enter amounts attributable to individual partners who have no other income reportable to Idaho and elect to report partnership income on the partnership return. Include amounts attributable to individual partners who do not meet the Idaho individual income tax filing requirements.

If lines 36 and 37 include separately stated items from lines 14, 20, and 31, include on line 39 the amounts reported.

## CREDITS

Credits earned by the partnership are passed through to each partner based on that partner's distributive share of partnership profits. When a partnership has a fiscal year end other than that of the partner, the credit passes through in the same period that the partnership income or loss is required to be reported by the partner for federal tax purposes.

The partnership must prepare and distribute to each partner a schedule that shows all Idaho income and deductions that must be reported on the partner's Idaho income tax return. The schedule must also include the partner's distributive share of amounts that are eligible for tax credits. Each partner uses this credit information to determine the amount of Idaho credit, credit recapture and credit carryover to be reported on the Idaho income tax return. Credits reported by each partner are subject to the limitations applicable to that partner. Copies of these schedules must be attached to the Idaho Partnership Return of Income for the year in which the credit is earned. Credit information reported on the schedule should include the following:

- Donations to a qualified educational entity
- Qualified investment eligible for the investment tax credit
- Donations to a qualified center for independent living, substance abuse center, or to a youth or rehabilitation facility or their foundations
- Costs of qualifying equipment eligible for the credit for production equipment using post-consumer waste
- Amount of promoter-sponsored event credit
- Amount of credit for qualifying new employees
- Amount of credit for Idaho research activities
- Amount of broadband equipment investment credit
- Amount of incentive investment tax credit
- Amount of recapture for any of the credits

If an individual partner elects to have his share of the income taxed on the partnership's return, the tax may be offset by the credit allowed to that partner. Credits applied to this tax are computed based on the credit limitations applicable to partnerships. For example, if a partnership pays the tax for three individual partners, the amount of credit for contributions to educational institutions is the lesser of the following amounts:

- 50% of the three partners' share of the amount donated,
- 20% of the tax computed for the three partners, or
- \$100

The following credits are available to be transferred to another taxpayer rather than used by the taxpayer who earns the credit:

- Broadband equipment investment credit
- Incentive investment tax credit

## FORM 65

To claim a credit you acquired through a transfer, you must attach a copy of the Idaho Statement of Credit Transfer, Form 70, to each return on which you are claiming transferred credit.

### LINE 42 CREDIT FOR CONTRIBUTIONS TO IDAHO EDUCATIONAL ENTITIES

If the partnership donated cash or goods to a qualified educational entity, it may claim a tax credit. If you claimed or earned the credit for qualifying new employees, report the amount computed on line 6, Part III, Form 55. Otherwise, the credit is limited to the smallest of:

- one-half of the amount donated,
- 20% of the tax on line 41, or
- \$100

A qualified educational entity includes:

- a nonprofit corporation, fund, foundation, research park, trust, or association organized and operated exclusively for the benefit of Idaho colleges and universities
- a nonprofit, private or public Idaho school (elementary, secondary or higher education) or its foundation
- Idaho education public broadcast system foundations
- the Idaho State Historical Society or its foundation
- an Idaho public library or its foundation
- an Idaho library district or its foundation
- an Idaho public or private nonprofit museum
- the Idaho State Library

### LINE 43 INVESTMENT TAX CREDIT

If you acquire an asset for use in your business, you may have earned an investment tax credit.

If you claimed or earned the credit for qualifying new employees, report the amount computed on line 9, Part III, Form 55. Otherwise, report the allowed credit computed on line 8, Part II, Form 49. Attach Form 49.

### LINE 44 CREDIT FOR CONTRIBUTIONS TO IDAHO YOUTH AND REHABILITATION FACILITIES

If the partnership donated cash or goods to a qualified center for independent living, to a youth or rehabilitation facility or their foundations, or to a nonprofit substance abuse center licensed by the Idaho Department of Health and Welfare, it may claim a tax credit. If you claimed or earned the credit for qualifying new employees, report the amount computed on line 13, Part III, Form 55. Otherwise, the credit is limited to the smallest of:

- one-half of the amount donated,
- 20% of the tax on line 41
- \$100, or
- the tax on line 41 less the amounts on lines 42 and 43

The qualified youth or rehabilitation facilities and their foundations are:

- Anchor House
- The Arc, Inc., Boise
- The Children's Home Society of Idaho, Inc., Boise
- The Children's Village, Inc., Coeur d'Alene
- Dawn Enterprises, Inc., Blackfoot
- Development Workshop, Inc., Idaho Falls
- Gem Youth Services, Emmett
- High Reachers, Inc., Mountain Home
- Hope House, Inc., Nampa
- Idaho Elks Rehabilitation Hospital, Inc., Boise
- Idaho Youth Ranch
- Kinderhaven, Sandpoint
- Magic Valley Rehabilitation Services, Inc., Twin Falls

- New Day Products, Inc., Pocatello
- Northwest (North Idaho) Children's Home
- Opportunities Unlimited, Inc., Lewiston
- Panhandle Special Needs, Inc., Sandpoint
- Transitional Employment Services for the Handicapped, Coeur d'Alene
- Western Idaho Training Co., Inc., Caldwell
- Winchester Occupational Workshop, Winchester
- Women's and Children's Alliance

The following are the qualified centers for independent living:

- Disability Action Center Northwest, Moscow and Coeur d'Alene
- Living Independence Network Corporation, Boise and Twin Falls
- Living Independently For Everyone, Blackfoot, Idaho Falls, and Pocatello

### LINE 45 CREDIT FOR PRODUCTION EQUIPMENT USING POST-CONSUMER WASTE

If you purchased equipment that manufactures a product from post-consumer or post-industrial waste, you may be entitled to a tax credit. The credit is 20% of your cost to purchase qualified equipment.

Qualified equipment is machinery or equipment in Idaho with a useful life of three years or more. In addition, 90% of the equipment's production must result in products utilizing post-consumer or post-industrial waste.

If you claimed or earned the credit for qualifying new employees, report the amount computed on line 17, Part III, Form 55. Otherwise, enter the smallest of:

- \$30,000,
- 20% of the cost to purchase qualified equipment, plus the amount of credit carried forward, or
- the tax on line 41 less the amounts on lines 42, 43, and 44

Product is any manufactured material that is composed of at least 50% post-consumer or post-industrial waste and offered for sale. Product does not include shredded material unless it is incorporated directly into the manufacturing process.

Post-consumer waste or post-industrial waste includes only glass, paper, or plastic that have been, or would have been, disposed of as solid waste. It does not include radioactive or hazardous waste.

Attach a schedule showing your computations, listing the qualified equipment, identifying the post-consumer or post-industrial waste products, and identifying the newly manufactured products.

### LINE 46 PROMOTER-SPONSORED EVENT CREDIT

If you issued temporary sales tax permits to participants of a promoter-sponsored event on behalf of the Tax Commission, you may claim a \$1 credit for each temporary permit issued during the tax year. Promoter-sponsored events include swap meets, flea markets, gun shows, and fairs. You must have filed Form ST-124 with the Tax Commission to qualify for the credit.

If you claimed or earned the credit for qualifying new employees, report the amount computed on line 21, Part III, Form 55. Otherwise the credit is limited to the smaller of:

- \$1 for each temporary permit issued during the tax year, or
- the tax on line 41 less the amounts on lines 42, 43, 44, and 45

# FORM 65

## LINE 47 CREDIT FOR QUALIFYING NEW EMPLOYEES

Idaho allows a credit for qualifying new employees of a partnership.

Report the credit computed on line 26, Part III, Form 55. Attach Form 55.

## LINE 48 CREDIT FOR IDAHO RESEARCH ACTIVITIES

If you incurred expenses for research conducted in Idaho, you may have earned the credit for Idaho research activities.

Report the allowed credit computed on line 30 or line 34, Form 67. Attach Form 67.

## LINE 49 BROADBAND EQUIPMENT INVESTMENT CREDIT

If the partnership acquired qualified broadband equipment to use in its business in Idaho, it may qualify for the broadband equipment investment credit. You may also claim this credit if you acquired the credit through a transfer.

Report the allowed credit computed on line 18 or line 22, Form 68. Attach Form 68.

## LINE 50 INCENTIVE INVESTMENT TAX CREDIT

You may claim this credit if you have incentive investment tax credit carryover from the tax year beginning in 2001 or received the credit by transfer.

Report the allowed credit computed on line 17 or line 21, Form 69. Attach Form 69.

## OTHER TAXES

### LINE 53 PERMANENT BUILDING FUND TAX

Partnerships that report taxable income on line 40 are required to pay the \$10 permanent building fund tax for each individual partner that elects to have the partnership pay the tax on his income from the partnership. Partnerships are also required to pay this tax for each individual partner who is required to file, but does not file, an Idaho individual income tax return. A nonresident individual partner is required to file if his share of the partnership's Idaho gross income is more than \$2,500.

### LINE 54 FUELS TAX DUE

If you buy gasoline, aircraft fuel, or special fuels (diesel, propane, natural gas) without paying the fuels tax and later use this fuel in licensed vehicles or aircraft, fuels tax is due. Add the amounts on lines 3 and 4, Section IV, Form 75 and enter the total. Attach Form 75.

### LINE 55 SALES/USE TAX DUE

If you made purchases during the year without paying sales tax, you must report use tax due on such purchases. Examples include magazine subscriptions, out-of-state catalog purchases, merchandise purchased over the Internet, book and record clubs, purchases in a state where no sales tax was charged, etc. Multiply the total amount of such purchases by 6% (.06).

If you computed use tax on Form 75, add it to the use tax on other purchases and enter the total on line 55.

If you have a sales or use tax account, do not report your sales or use tax on this line, but continue to report the tax on these purchases on your sales and use tax returns.

### LINE 56 TAX FROM RECAPTURE OF INVESTMENT TAX CREDIT

If you have claimed an investment tax credit (ITC) on property that ceases to qualify before the end of the five-year recapture period, you must compute the ITC recapture. This includes property moved outside of Idaho.

Enter the amount from line 15, Part III, Form 49R. Attach Form 49R.

## LINE 57 TAX FROM RECAPTURE OF BROADBAND EQUIPMENT INVESTMENT CREDIT

If you have claimed a broadband equipment investment credit on property that ceases to qualify before the end of the five-year recapture period, you must compute the broadband equipment investment credit recapture. This includes property that ceases to qualify for the ITC.

Enter the amount from line 15, Part III, Form 68R. Attach Form 68R.

## LINE 58 TAX FROM RECAPTURE OF INCENTIVE INVESTMENT TAX CREDIT

If you have claimed an incentive investment tax credit on property that ceases to qualify before the end of the five-year recapture period, you must compute the incentive investment tax credit recapture. This includes property that ceases to qualify for the ITC.

Enter the amount from line 15, Part III, Form 69R. Attach Form 69R.

## PAYMENTS AND OTHER CREDITS

### LINE 60 ESTIMATED TAX PAYMENTS

Enter the total amount of payments made and the amount applied from your 2003 return.

### LINE 61 SPECIAL FUELS AND GASOLINE TAX REFUND

The special fuels (diesel, propane, natural gas) tax refund is available to those who use the fuel for heating or in off-highway equipment and have paid the tax on the special fuels purchased. Enter the amount from line 2, Section IV, Form 75. Attach Form 75.

The gasoline tax refund is available to those who buy and use gasoline in off-highway equipment or auxiliary engines. Enter the amount from line 1, Section IV, Form 75. Attach Form 75.

## REFUND OR PAYMENT DUE

### LINE 64 PENALTY AND INTEREST

**Penalty:** If the partnership files a return after the due date or fails to pay the required amount by the due date, a penalty may be due. To avoid paying any late filing or late payment penalty, the partnership must:

- pay by the original due date at least 80% of the tax due on the return or 100% of the total tax reported last year, and
- file the return and pay the tax due by the extended due date.

If the partnership pays at least 80% of the tax due on the return or 100% of the total tax reported last year by the original due date, but fails to file the return or pay the remaining tax by the extended due date, the following penalties will apply:

- If the return is filed on or before the extended due date, a 0.5% per month late payment penalty will be computed on tax due from the extended due date to date of payment, or
- If the return is filed after the extended due date, a 5% per month late filing penalty will be computed on tax due from the extended due date to the date the return is filed.

If the partnership does not pay at least 80% of the tax due on the return or 100% of the total tax reported last year by the original due date, the following penalties will apply:

- If the return is filed by the original due date, a 0.5% per month late payment penalty will be computed on tax due from the date the return is filed to the date of payment.

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- If the return is filed on or before the extended due date and the tax is paid on or before the extended due date, a 2% per month extension penalty will be computed on tax due from the original due date to the earlier of the date the tax is paid, or the date the return is filed, plus a 0.5% per month late payment penalty will be computed on tax due from the date the return is filed to the date the tax is paid, if paid after the return is filed.
- If the return is filed on or before the extended due date but the tax is paid after the extended due date, a 2% per month late filing penalty will be computed on tax due from the original due date of the return to the date the return is filed, plus a 0.5% per month late payment penalty will be computed on tax due from the date the return is filed to the date the tax is paid.
- If both the return is filed and the tax is paid after the extended due date, a 5% per month late filing penalty will be computed on tax due from the original due date of the return to the earlier of the date the return is filed or the date the tax is paid.

The minimum penalty is \$10. The maximum penalty is 25% of tax due.

**Interest:** Interest is charged on the tax due, line 63, from the original due date until paid. The rate for 2005 is 6%.

### LINE 67 REFUND

If you are filing an original return, you have the option of receiving all or a portion of the overpayment listed on line 66 as

a refund, or applying all or a portion of the overpayment to your 2005 estimated tax. Enter the amount you wish to receive as a refund on this line. If you enter the total amount from line 66, you must enter zero on line 68.

### LINE 68 ESTIMATED TAX

If you are filing an original return, you have the option of applying all or a portion of the overpayment listed on line 66 as a credit against your 2005 estimated tax. The amount you list on this line plus the amount on line 67 must equal the overpayment listed on line 66. If you listed the total overpayment as the amount you want refunded to you on line 67, you must enter zero on this line.

## AMENDED RETURN ONLY

Complete lines 69 through 72 only if you are filing this return as an amended return.

### LINE 69 TOTAL TAX DUE OR OVERPAYMENT ON THIS RETURN

If the tax due shown on line 65 is greater than zero, enter this amount on line 69. The amount from line 65 should be entered as a positive amount.

If line 65 is zero, enter the amount of overpayment from line 66 on line 69. The amount from line 66 should be entered as a negative amount.

## INSTRUCTIONS FOR FORM 42 SUPPLEMENTAL SCHEDULE FOR MULTISTATE/MULTINATIONAL BUSINESSES

Part I of this form provides the computation of the Idaho apportionment factor and is to be used by taxpayers who have income from business activity which is taxable in Idaho and another state or country.

Partnerships do not use Part II.

### PART I APPORTIONMENT FORMULA GENERAL INFORMATION

#### PROPERTY FACTOR

The property factor is a fraction. The numerator is the average value of real and tangible personal property owned or rented and used in Idaho during the tax year to produce business income. The denominator is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax year to produce business income. Property used in the production of nonbusiness income is excluded from the factor.

Property is included in the factor if it is actually used or capable of being used during the tax year in the regular course of the trade or business of the taxpayer. Property under construction is excluded.

Property owned by the taxpayer is valued at its original cost. Original cost is the basis of the property for federal income tax purposes (prior to any federal adjustments) when it was acquired by the taxpayer and adjusted for subsequent capital additions or improvements, special deductions or partial disposition because of sale, exchange, abandonment, etc. Depreciation does not reduce original cost.

The average value of property owned by the taxpayer is computed by averaging the values at the beginning and ending of the tax year. The Idaho State Tax Commission may require or

allow the averaging of monthly values to properly reflect the average values.

Property rented is valued at eight times the net annual rental rate. The net annual rental rate for any item of rented property is the total rents paid for the property, less the aggregate annual subrental rates paid by subtenants. Subrents are not billings. The portion of this amount attributable to construction projects in Idaho is included in the Idaho numerator. If progress billings exceed construction costs, do not include any value in the property factors for the taxpayer's equity in the project.

#### SALES FACTOR

The sales factor is double weighted for all taxpayers except electrical and telephone utilities. Electrical and telephone utilities use a single-weighted sales factor.

The sales factor is a fraction. The numerator is the gross receipts derived during the year from transactions and activities attributable to Idaho in the regular course of the taxpayer's trade or business. The denominator is the total gross receipts derived during the tax year from transactions and activities everywhere in the regular course of the taxpayer's trade or business. Receipts derived from the production of nonbusiness income are excluded from the sales factor.

Sales means all gross receipts derived from transactions and activity in the regular course of trade or business. Gross receipts means gross sales, less returns and allowances. Gross receipts from sales of tangible personal property are assigned to Idaho if:

- property is delivered or shipped to a purchaser in Idaho regardless of F.O.B. point or other conditions of sales; or

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- property is shipped from an office, store, warehouse, factory, or other place of storage in Idaho and the taxpayer is not taxable in the state of the purchaser (throwback sales) or the purchaser is the United States Government.

Sales also include gross receipts from services and all other gross receipts such as interest, dividends, rents, royalties, gross receipts from the sale of property, and other income derived by the taxpayer in the regular course of business. If gross receipts do not fairly represent the extent of your business activity in Idaho, you may petition, or may be required, to use another method to obtain an equitable result. Income from services is attributable to this state to the extent that the services are performed in Idaho.

Although the following amounts may be business income, gross receipts do not include such items as the repayment, maturity, or redemption of the principal of a loan, bond, mutual fund or certificate of deposit or similar marketable instrument, the principal amount received under a repurchase agreement, the proceeds from issuing your own stock or from the sale of treasury stock, damages or other amounts received from litigation, property acquired by an agent on behalf of another, tax refunds or other tax benefit recoveries, pension reversions, contributions to capital, income from the forgiveness of indebtedness, and amounts realized from exchanges of inventory that are not recognized by the Internal Revenue Code.

### PAYROLL FACTOR

The payroll factor is a fraction. The numerator is the compensation paid in Idaho during the tax year to produce business income. The denominator is the total compensation paid during the tax year to produce business income. Compensation connected with the production of nonbusiness income is excluded from the payroll factor.

The total amount paid to employees is determined on the basis of the taxpayer's accounting method. Under the accrual method, all compensation properly accrued is deemed to have been paid.

If the taxpayer is required to report the compensation under the cash method for unemployment compensation purposes, compensation paid to employees may be included in the payroll factor using the cash method.

Compensation means wages, salaries, commissions and any other form of payment to employees for personal services. Payments made to an independent contractor, or any other person not properly classifiable as an employee, are excluded.

Compensation is paid in Idaho if any one of the following tests are met:

- the individual's service is performed entirely within Idaho; or
- the individual's service is performed both in and outside Idaho, but the service performed outside Idaho is incidental to the individual's service in Idaho; or
- some of the service is performed in Idaho and the base of operations, or, if there is no base of operations, the place from which the service is directed or controlled is in Idaho; or
- some of the service is performed in Idaho and the base of operations, or the place from which the service is directed or controlled, is not in any state in which some part of the service is performed, but the individual's residence is in Idaho.

### MODIFIED FACTORS FOR CERTAIN INDUSTRIES

Idaho has adopted the Multistate Tax Commission (MTC) regulations for the following special industries. Examples of the computations of these factors are found in the applicable

MTC regulations on the Internet. The State Tax Commission Web site has a link to these regulations at [tax.idaho.gov/links.htm](http://tax.idaho.gov/links.htm). Click on MTC Model Regulations.

### Airlines

If you are in the business of transporting passengers, freight or mail by air, your apportionment factor should reflect the movement of your transportation equipment and personnel. This is done by including transportation revenue, property ready for flight, and transportation payroll in the Idaho numerators based on the percentage of Idaho departures of aircraft weighted as to the value of aircraft by type to the total departures similarly weighted.

The value of nonflight property and nonflight payroll will be allocated to the state based on the general apportionment rules.

### Railroads and Trucking Companies

If you are in the business of transporting passengers, freight, or mail by motor carrier or rail, your apportionment factor should reflect the movement of your transportation equipment and personnel. This is done by including the transportation revenue, property and payroll in the Idaho numerators based on the percentage of miles traveled in Idaho to miles traveled everywhere.

Other revenue, fixed property, and compensation of employees assigned to fixed locations are included in the factors based on the general apportionment rules. Per diem and mileage charges paid or received for the temporary use of railroad cars should not be included in the sales or property factors.

### Construction Contractors

You must use the same long-term contract accounting method for Idaho reporting purposes that you used for federal reporting purposes.

If the percentage of completion method is used, the following special rules apply in addition to the general property, payroll, and sales factor rules.

The property factor denominator includes the average value of the taxpayer's cost of construction in progress (including materials and labor) to the extent the costs exceed progress billings. The portion of this amount attributable to construction projects in Idaho is included in the Idaho numerator. If progress billings exceed construction costs, do not include any value in the property factors for the taxpayer's equity in the project.

The sales factor includes only the portion of the gross contract price which corresponds to the percentage of the entire contract which was completed at the end of the tax year. For example, if the project was 30% complete at the end of the tax year, 30% of the bid price should be included in the gross receipts. Gross receipts from a construction project are attributable to Idaho if the construction is located in Idaho. Gross receipts from a construction project located partially in Idaho are included in the numerator based on the ratio of construction costs for the project in Idaho for the tax year to the total of construction costs for that project for the tax year.

Compensation paid for work on a particular construction project is included in the payroll factor even though capitalized into the cost of construction. Compensation is attributable to the state where most of the employee's service is performed, regardless of where reported for unemployment tax purposes.

### Publishers

If you are in the business of publishing, selling, licensing or distributing books, newspapers, magazines, periodicals, trade journals or other printed material, include outer-jurisdictional

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property in the property factor whether owned or rented if used in your business. Outer-jurisdictional property includes such items as orbiting satellites and undersea transmission cables which are not physically located in any particular state. The portion of outer-jurisdictional property attributable to Idaho is computed based on the ratio of Idaho usage to usage everywhere.

The sales numerator includes gross receipts from the sale of printed materials delivered or shipped to a purchaser or subscriber in Idaho. Gross receipts from the advertising and the sale, rental or other use of customer lists are included as Idaho sales as determined by a circulation factor.

If the purchaser or subscriber is the U.S. Government or you are not taxable in the state, the gross receipts are attributable to Idaho if the printed material or other property is shipped from a business location in Idaho.

### Broadcasters

If you are in the business of conducting television or radio broadcasts, either through a network or through an affiliated, unaffiliated or independent television or radio broadcasting station, your apportionment factor should exclude outer-jurisdictional, film and radio programming property. Outer-jurisdictional property includes orbiting satellites and undersea transmission cables which are not physically located in any particular state. Film programming means performances, events, or productions telecast, live or otherwise, on television. It includes news and sporting events in the format of a motion picture, a video tape, or other medium. Radio programming means all performances, events or productions broadcast live or otherwise on radio. It includes commercial, educational or artistic works, in the format of an audio tape, disc or other medium.

Audio or video cassettes, discs or similar medium containing film or radio programming which is intended for sale or rental for home viewing or listening is included in the property factor at original cost.

The value of property located or used in Idaho for part of the tax year is included in the Idaho property numerator based on the ratio that the number of days the property is located or used in Idaho bears to the total number of days you owned or rented the property during the tax year.

Idaho sales include advertising revenue from live television, film or radio programming in release to or by television and radio stations located in Idaho and receipts from live telecasts, films and radio programs based on the audience factor.

The payroll factor includes residual and profit participation payments paid to employees, directors, actors, newscasters and other individuals in a role of employee. Amounts paid to an individual, corporation or other business entity for providing the services of directors, actors, newscasters and other talent for a live television broadcast, film or radio program are included if such payments were at least 25% of total compensation paid to employees, and that failure to include the amounts would not fairly represent the extent of your business activity in Idaho. The portion of these amounts attributable to Idaho is determined according to the general apportionment rules.

### Financial Institutions

If you are a financial institution, your apportionment factor should reflect your business of extending credit through loans and credit cards by including the value of these intangibles in your property factor.

You are a financial institution if you predominantly deal in money or moneyed capital in substantial competition with the business of national banks. Predominantly means more than 50% of your gross income is attributable to dealings in money or moneyed capital. Money or moneyed capital includes coin, cash, currency, mortgages, deeds of trust, conditional sales contracts, loans, commercial paper, installment notes, credit cards, and accounts receivable.

You are presumed to be a financial institution if you are one of the following:

- a corporation registered under state law as a bank holding company or registered under the Federal Bank Holding Company Act, as amended, or registered as a savings and loan holding company under the Federal National Housing Act, as amended;
- a national bank organized under the National Bank Act;
- a savings association or federal savings bank as defined in the Federal Deposit Insurance Act;
- a bank or thrift institution incorporated or organized under the laws of any state;
- a corporation organized under the provisions of Title 12 U.S.C. §§611 to 631;
- an agency or branch of a foreign depository as defined in Title 12 U.S.C. §3101;
- a corporation whose voting stock is more than 50% owned by an entity presumed to be a financial institution (insurance companies excluded); or
- a corporation that in the current year and immediately preceding two years, derived more than 50% of its total gross income for financial accounting purposes from finance leases.

In addition to the property included under the standard property factor as discussed on page 8, the property factor must include the average value of your loans and credit card receivables. Loans and credit card receivables are valued at their average outstanding principal balance, without regard to any reserve for bad debts.

Loans and credit card receivables are considered located in Idaho if they are properly assigned to a regular place of your business in this state; that is, if the loan has a preponderance of substantive contacts with that place of business. Substantive contacts include solicitation, investigation, negotiation, approval, and administration.

There are also special rules for attributing receipts to a state for purposes of the sales factor. The payroll factor is computed the same as under the standard apportionment rules as discussed on page 9.

## SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form. Compute all percentages to four decimal places (00.0000%).

### PROPERTY

**LINES 1 through 4.** Enter the beginning and end of the year total property and Idaho property amounts.

**LINE 9.** Divide Idaho property by total property (amounts on line 8).

### SALES

**LINES 11 and 12.** Enter the amounts from line 10 that were delivered or shipped to Idaho purchasers (line 11) or that were throwback sales to Idaho (line 12).

**LINE 14.** Attach a detailed schedule.

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**LINE 16.** Divide Idaho gross receipts by total gross receipts (amounts on line 15).

Electrical and telephone utilities. This is your single-weighted sales factor. Go to line 18.

**LINE 17.** For all taxpayers other than electrical and telephone utilities, multiply the amount on line 16 by 2. This is your double-weighted sales factor.

### **PAYROLL**

**LINE 19.** Divide Idaho wages and salaries by total wages and salaries (amounts on line 18).

### **TOTAL PERCENTAGE**

**LINE 20.** For all taxpayers other than electrical and telephone utilities, add the percentages on lines 9, 17, and 19. For electrical and telephone utilities, add the percentages on lines 9, 16, and 19.

### **IDAHO APPORTIONMENT FACTOR**

**LINE 21.** For all taxpayers other than electrical and telephone utilities, divide the total on line 20 by 4. For electrical and telephone utilities, divide the total on line 20 by 3.

If any of the factors do not apply to your business, divide the total on line 20 by the number of factors used. For example, if your partnership has no employees anywhere, your factor is reduced by one.